

## Message Text

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64

ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 EB-06

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-03 SIL-01 OMB-01 AGR-10 CU-04 /064 W

----- 093088

R 230738Z OCT 74

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 6648

INFO AMEMBASSY NAIROBI

UNCLAS TANANARIVE 1632

E.O. 11652: N/A

TAGS: EFIN, EMAE, MA, US

SUBJECT: EXPORT-IMPORT BANK INTEREST OF MALAGASY MINISTER OF

RURAL DEVELOPMENT

NAIROBI FOR TANANARIVE ECONOFF DE SANTILLANA

BEGIN SUMMARY: MALAGASY MINISTER OF RURAL DEVELOPMENT  
INTERESTED IN EXIMBANK CREDIT FACILITIES FOR 4-MILLION  
DOLLAR PURCHASE OF HEAVY LAND-CLEARING EQUIPMENT FOR  
AGRICULTURAL PROJECTS AND COTTON GINNING MILL EQUIPMENT.  
PROPOSAL FOR U.S. LAND-CLEARING EQUIPMENT RESULTS DIRECTLY  
FROM CU-FUNDED LEADER GRANT TO CHIEF AGRICULTURAL  
MACHINERY SERVICE IN THIS MINISTRY. END SUMMARY.

1. MINISTER RURAL DEVELOPMENT RAKOTOVAHINY ASKED ME  
CALL OCT 22 TO INQUIRE ABOUT POSSIBILITY OF OBTAINING  
EXIM FINANCING FOR 4-MILLION DOLLAR PURCHASE FOR HIS  
MINISTRY, TWO-THIRDS FOR HEAVY LAND-CLEARING EQUIPMENT  
FOR NEW AGRICULTURAL PROJECTS AND ONE-THIRD FOR REPLACING  
EXISTING COTTON GINNING EQUIPMENT OF AMERICAN ORIGIN IN  
TWO MILLS.

2. I REPLIED THAT, WHILE DEMANDS FOR EXIM SUPPORT HAVE  
GROWN AND EXIMBANK HAS THEREFORE HAD TO BECOME MORE  
SELECTIVE IN ITS CREDITS, I THOUGHT THERE OUGHT TO BE  
GOOD CHANCE OBTAIN FAVORABLE EXIM CONSIDERATION OF CREDIT  
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REQUEST FROM HIS MINISTRY FOR SUCH PROJECTS. I

OUTLINED LATEST EXIM TERMS (STATE 153022) AND GAVE HIM  
FRENCH OUTLINE OF PROCEDURES FOR SUBMITTING WRITTEN REQUEST  
TO EXIM.

3. HE ASKED HOW LONG EXIM CONSIDERATION WOULD TAKE.  
I REPLIED I DID NOT KNOW PRECISELY, BUT EXPERIENCE  
INDICATES EXIM PROCESSING REQUIRES MUCH SHORTER TIME THAN  
THAT OF WORLD BANK. I SAID I WAS CONVINCED THAT, IF GOMR  
HAD TURNED TO EXIM RATHER THAN WORLD BANK FOR ROGEZ  
HYDROELECTRIC PROJECT WHEN IT WAS FIRST MENTIONED TWO  
YEARS AGO, PROJECT WOULD HAVE BEEN WELL UNDER WAY BY NOW,  
AND AT ONLY FRACTION OF ITS EVENTUAL COST IN VIEW OF  
INFLATION SINCE WORLD BANK STILL HAS PROJECT UNDER STUDY.  
MINISTER GOT THE POINT.

4. COMMENTS:

(A) I BELIEVE WE CAN PROBABLY EXPECT FORMAL REQUEST FOR  
EXIM CREDIT FOR TWO PROJECTS MINISTER HAS IN MIND. IF SO,  
IT WILL BE FIRST TIME GOMR HAS TURNED TO EXIMBANK FOR  
FINANCING, AND WILL THUS REPRESENT SUCCESS IN EMBASSY  
TWO-YEAR EFFORT PROMOTE INCREASE IN AMERICAN EXPORTS TO  
MADAGASCAR BY GETTING GOMR TO THINK SERIOUSLY ABOUT EXIM  
FACILITIES. I HOPE THEREFORE THAT EXIM WILL BE PREPARED  
RESPOND TO THIS EXPECTED FIRST MALAGASY REQUEST WITH AS  
FAVORABLE TERMS AS POSSIBLE, PARTICULARLY IN VIEW CONTINUED  
CREDIT-WORTHINESS OF MADAGASCAR.

(B) I ALSO WISH POINT OUT THAT MINISTRY RURAL DEVELOPMENT  
INTEREST IN PURCHASE HEAVY AMERICAN LAND-CLEARING EQUIPMENT  
IS DIRECT OUTGROWTH OF CU FUNDING OF LEADER GRANT  
VISIT TO U.S. IN AUG-SEPT BY CHIEF AGRICULTURAL MACHINERY  
SERVICE RAKOTOVAO. LATTER CALLED AT EMBASSY LAST WEEK  
TREMENDOUSLY ENTHUSIASTIC ABOUT VISIT TO U.S. AND ABOUT  
POSSIBILITIES FOR APPLYING TO MADAGASCAR'S ECONOMIC  
DEVELOPMENT WHAT HE HAD SEEN IN U.S. MINISTER EXPLICITLY  
TOLD ME THAT PROPOSAL TO BUY U.S. LAND-CLEARING EQUIPMENT  
DIRECTLY RESULTS FROM THAT VISIT.

MENDENHALL

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EQUIPMENT, AGRICULTURAL PROGRAMS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TANANA01632  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740302-1076  
**From:** TANANARIVE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19741022/aaaaascr.tel  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Date:** 15 MAR 2002  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT-IMPORT BANK INTEREST OF MALAGASY MINISTER OF RURAL DEVELOPMENT  
**TAGS:** EFIN, EMAE, MA, US, XMB  
**To:** STATE  
**Type:** TE  
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